

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Housing Development Act is amended
5 by changing Section 7.28 as follows:

6 (20 ILCS 3805/7.28)

7 Sec. 7.28. Tax credit for donation to sponsors. The
8 Authority may administer and adopt rules for an affordable
9 housing tax donation credit program to provide tax credits for
10 donations as set forth in this Section.

11 (a) In this Section:

12 "Administrative housing agency" means either the
13 Authority, ~~or~~ an agency of the City of Chicago, or the Chicago
14 Board of Education.

15 "Affordable housing project" means either (i) a rental
16 project in which at least 25% of the units have rents
17 (including tenant-paid heat) that do not exceed, on a monthly
18 basis, maximum gross rent figures, as published by the
19 Authority, that are: (i) based on data published annually by
20 the U.S. Department of Housing and Urban Development, (ii)
21 based on the annual income of households earning 60% of the
22 area median income, (iii) computed using a 30% of gross monthly
23 income standard and (iv) adjusted for unit size and at least

1 25% of the units are occupied by persons and families whose
2 incomes do not exceed 60% of the median family income for the
3 geographic area in which the residential unit is located or
4 (ii) a unit for sale to homebuyers whose gross household income
5 is at or below 60% of the area median income and who pay no more
6 than 30% of their gross household income for mortgage
7 principal, interest, property taxes, and property insurance
8 (PITI).

9 "Donation" means money, securities, or real or personal
10 property that is donated to a not-for-profit sponsor that is
11 used solely for costs associated with either (i) purchasing,
12 constructing, or rehabilitating an affordable housing project
13 in this State, (ii) an employer-assisted housing project in
14 this State, (iii) general operating support, or (iv) technical
15 assistance as defined by this Section.

16 "Employer-assisted housing project" means either
17 down-payment assistance, reduced-interest mortgages, mortgage
18 guarantee programs, rental subsidies, or individual
19 development account savings plans that are provided by
20 employers to employees to assist in securing affordable housing
21 near the work place, that are restricted to housing near the
22 work place, and that are restricted to employees whose gross
23 household income is at or below 120% of the area median income.

24 "General operating support" means any cost incurred by a
25 sponsor that is a part of its general program costs and is not
26 limited to costs directly incurred by the affordable housing

1 project.

2 "Geographical area" means the metropolitan area or county
3 designated as an area by the federal Department of Housing and
4 Urban Development under Section 8 of the United States Housing
5 Act of 1937, as amended, for purposes of determining fair
6 market rental rates.

7 "Median income" means the incomes that are determined by
8 the federal Department of Housing and Urban Development
9 guidelines and adjusted for family size.

10 "Project" means an affordable housing project, an
11 employer-assisted housing project, general operating support,
12 or technical assistance.

13 "Sponsor" means a not-for-profit organization that (i) is
14 organized as a not-for-profit organization under the laws of
15 this State or another state and (1) for an affordable housing
16 project, has as one of its purposes the development of
17 affordable housing; (2) for an employer-assisted housing
18 project, has as one of its purposes home ownership education;
19 and (3) for a technical assistance project, has as one of its
20 purposes either the development of affordable housing or home
21 ownership education; (ii) is organized for the purpose of
22 constructing or rehabilitating affordable housing units and
23 has been issued a ruling from the Internal Revenue Service of
24 the United States Department of the Treasury that the
25 organization is exempt from income taxation under provisions of
26 the Internal Revenue Code; or (iii) is an organization

1 designated as a community development corporation by the United
2 States government under Title VII of the Economic Opportunity
3 Act of 1964.

4 "Tax credit" means a tax credit allowed under Section 214
5 of the Illinois Income Tax Act.

6 "Technical assistance" means any cost incurred by a sponsor
7 for project planning, assistance with applying for financing,
8 or counseling services provided to prospective homebuyers.

9 (b) A sponsor must apply to an administrative housing
10 agency for approval of the project. The administrative housing
11 agency must reserve a specific amount of tax credits for each
12 approved project. Tax credits for general operating support can
13 only be reserved as part of a reservation of tax credits for an
14 affordable housing project, an employer-assisted housing
15 project, or technical assistance. No tax credits shall be
16 allowed for a project without a reservation of such tax credits
17 by an administrative housing agency for that project.

18 (c) The Authority must adopt rules establishing criteria
19 for eligible costs and donations, issuing and verifying tax
20 credits, and selecting projects that are eligible for a tax
21 credit.

22 (d) Tax credits for employer-assisted housing projects are
23 limited to that pool of tax credits that have been set aside
24 for employer-assisted housing. Tax credits for general
25 operating support are limited to 10% of the total tax credit
26 reservation for the related project (other than general

1 operating support) and are also limited to that pool of tax
2 credits that have been set aside for general operating support.
3 Tax credits for technical assistance are limited to that pool
4 of tax credits that have been set aside for technical
5 assistance.

6 (e) The amount of tax credits reserved by the
7 administrative housing agency for an approved project is
8 limited to \$13 million in the initial year and shall increase
9 each year by 5%. The City of Chicago and the Chicago Board of
10 Education shall receive 21.5% and 3%, respectively, ~~24.5%~~ of
11 the total tax credits authorized for each fiscal year. The
12 Authority shall receive the balance of the tax credits
13 authorized for each fiscal year. The tax credits may be used
14 anywhere in this State. The tax credits have the following
15 set-asides:

16 (1) for employer-assisted housing projects, \$2
17 million; and

18 (2) for general operating support and technical
19 assistance, \$1 million.

20 The balance of the funds must be used for affordable
21 housing projects. During the first 9 months of a fiscal year,
22 if an administrative housing agency is unable to reserve the
23 tax credits set aside for the purposes described in subsection
24 (e), the administrative housing agency may reserve the tax
25 credits for any approved projects.

26 (f) The administrative housing agency that reserves tax

1 credits for an affordable housing project must record against
2 the land upon which the affordable housing project is located
3 an instrument to assure that the property maintains its
4 affordable housing compliance for a minimum of 10 years. The
5 Authority has flexibility to assure that the instrument does
6 not cause undue hardship on homeowners.

7 (Source: P.A. 92-491, eff. 8-23-01; 93-369, eff. 7-24-03.)